

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF PENDLETON COUNTY WATER)	
DISTRICT FOR A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO CONSTRUCT)	CASE NO.
AND FINANCE PURSUANT TO THE PROVISIONS OF)	2009-00487
KRS 278.023)	

O R D E R

On December 10, 2009, Pendleton County Water District, Inc. ("Pendleton District") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$565,600 waterworks improvement project and for approval of its plan of financing for this project. This project consists of the construction and installation of approximately 28,430 linear feet of 6-inch and 4-inch water line and appurtenances to provide water service to approximately 53 new rural customers. Project funding includes: issuance of \$220,000 of its Waterworks Revenue Bonds; a grant from the U. S. Department of Agriculture, Rural Development ("RD") in the amount of \$55,000; a Kentucky state grant in the amount of \$225,000; a \$35,000 contribution provided by the Applicant; and Applicant connection fees in the amount of \$30,600.

Pendleton District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were

met in this case on December 10, 2009, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Pendleton District is granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Pendleton District's proposed plan of financing is accepted.

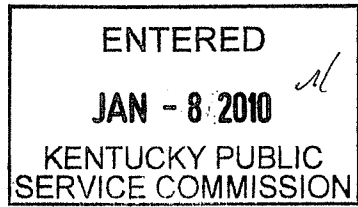
3. Pendleton District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

4. Pendleton District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), Pendleton District shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

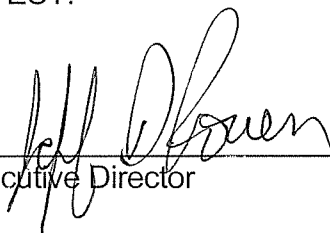
5. Pendleton District shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

By the Commission



ATTEST:



Executive Director

Case No. 2009-00487

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